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DIRECTORATE OF  
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State Dept. review completed

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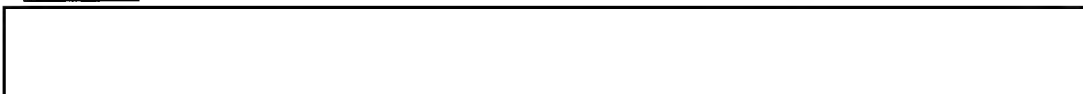
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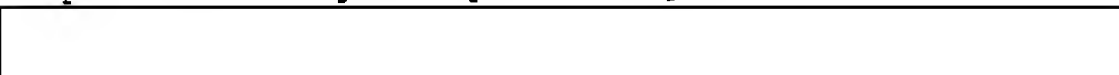
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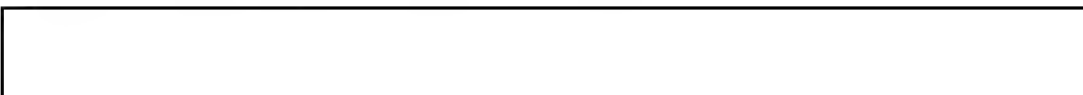


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[ South Vietnam: Ground action on 29-30 October continued light.

The most significant action occurred in An Xuyen Province when US Navy patrol boats moved into a river near the U Minh forest, which has been a traditional Communist supply base. Over 240 Viet Cong sampans and an extensive complex along the river bank were reported to have been destroyed or damaged in a fire fight between the US Navy boats and enemy forces ashore. [REDACTED]

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Panama: The junta has arbitrarily suspended certain civil rights, in open violation of the constitution. The move is probably intended to give the national guard a free hand in dealing with its opponents.

The military government has revoked an article of the constitution prohibiting the "penalty of death, expatriation or confiscation of property." Although there is no indication that the junta will actually invoke the death penalty, some government officials may threaten to do so to intimidate opponents. Other constitutional privileges suspended for the first time in Panama's history include the guarantee of trial by competent authority, protection against double jeopardy, and the right to have unconstitutional orders or injunctions revoked.

Senior guard officers, meanwhile, have been pressing the civilian cabinet members to give official positions to "friends," some of them unqualified but closely linked to the guard. There are also indications of dissension within the cabinet over the extent of reform measures to be proposed. The ministers pushing for a more radical approach are those most closely associated with the military. The moderates appear to be gaining some support among the business community, which has withheld its backing in the hope of exacting a firm commitment from the junta for a return to civilian government. [REDACTED]

[REDACTED]

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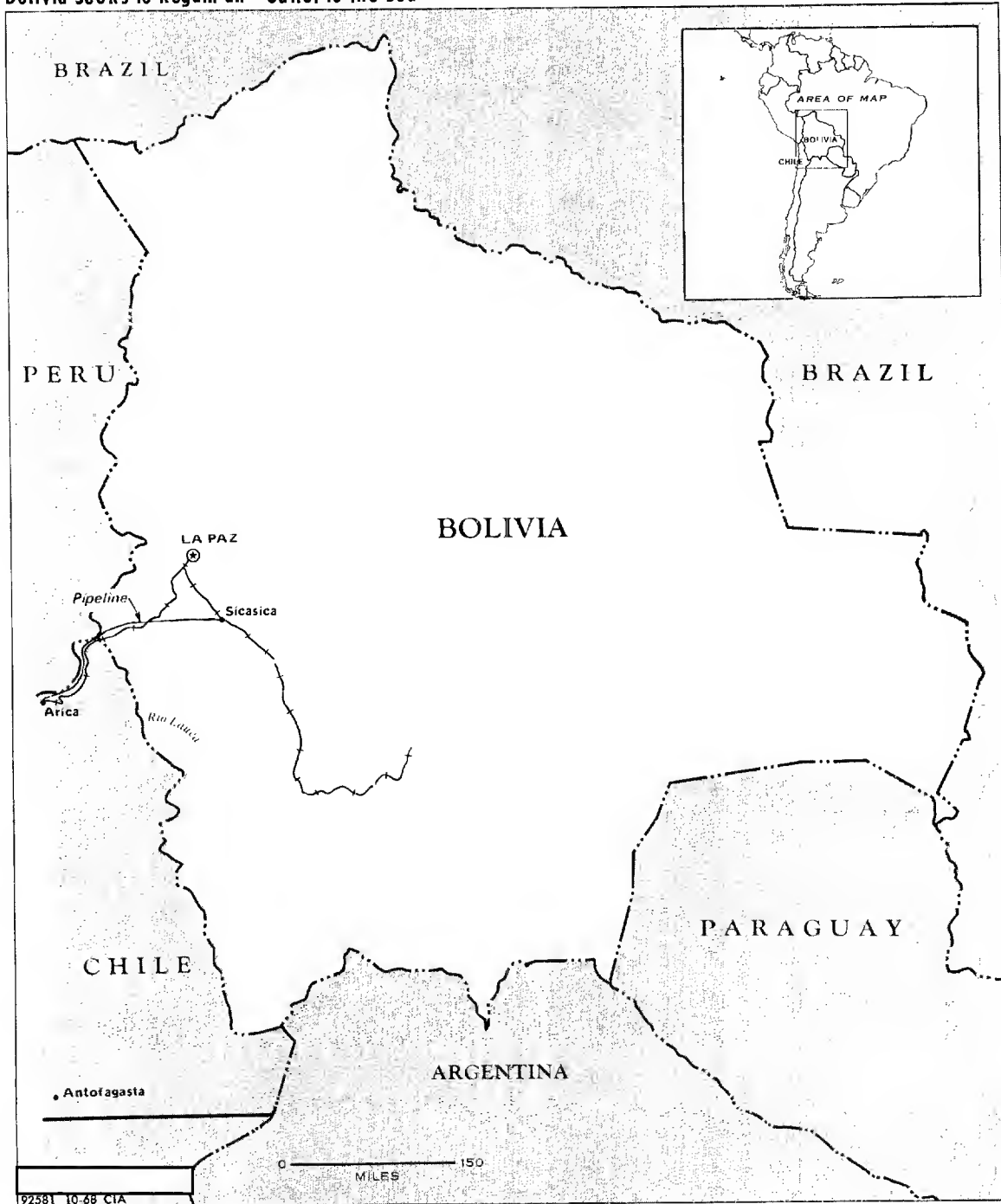
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Bolivia Seeks to Regain an "Outlet to the Sea"



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Chile-Bolivia: Relations are again strained as a result of Bolivia's aspiration to regain a port on the Pacific Ocean.

Bolivian President Barrientos revived this perennial dispute in a speech on 21 October commemorating the centennial of the port of Antofagasta, formerly part of Bolivia but now in Chilean hands. He labeled Chile an "aggressor and usurper" and called for the return of the coastal lands seized by Chile in 1879. Shortly thereafter a Chilean flag was burned in La Paz. The two governments have exchanged heated protest notes, and newspapers in both countries have given the incident full play.

In response to earlier Bolivian efforts to regain an "outlet to the sea," Chile granted Bolivia the use of port facilities in Arica and Antofagasta in northern Chile, but has not permitted the Bolivian flag to fly there. Bolivia also had duty-free use of an oil pipeline and a railroad in the area. Bolivia broke diplomatic relations with Chile in 1962 in a dispute over the use of the waters of the Lauca River, which drains both countries.

This latest flurry probably will die down fairly soon, but the emotional residue will hamper cooperation on economic integration projects. (Map)

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Iceland: The government and opposition parties are said to be discussing the formation of an all-party government which might include the Communists.

The reported discussions are an extension of talks which began in early September and which focus on long-range measures to cope with Iceland's prolonged economic crisis. If the negotiations succeed, Prime Minister Benediktsson's coalition of the Independence (Conservative) and Social Democratic parties might be broadened to bring in the Progressives and the Communist-front Labor Alliance. The Alliance is an important political force by virtue of its control of a considerable portion of organized labor.

The entry of these two parties into the government probably would not have an immediate impact on such questions as membership in NATO and the continued stationing of US forces in Iceland. In the longer run, however, the participation of these parties, both of which advocate removing US troops, could jeopardize the current good working relations between US and Icelandic officials on defense matters.

[REDACTED]

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UN - Communist China: Efforts to seat the Communist Chinese appear likely to fail again this year.

A group led by the Albanian delegation has once more submitted a draft resolution calling for ejection of the Chinese Nationalists from the Security Council in favor of a delegation from Communist China. A UN official has suggested that debate in the General Assembly begin on 11 November.

The US and other supporters of the Chinese Nationalists are again contending that any question of Chinese representation is an Important Question and, therefore, that any change requires a two-thirds majority in the Assembly. Under the Charter, the Important Question doctrine may be invoked by a majority of the Assembly.

The vote on the Important Question issue probably will decide the substantive question as well. If the Albanian group could win over a simple majority to defeat the Important Question proposal, it might well have sufficient support to pass the seating resolution by a simple majority. If the group loses the Important Question vote, however, it will also fail to muster the two-thirds majority needed to approve the seating change. According to present indications, a simple majority will vote with the US again this year to apply the Important Question doctrine and defeat efforts to seat Communist China.

[REDACTED]

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Iran: Elections held on 4 October to form Iran's first municipal councils resulted in a predictably massive victory for the ruling Iran Novin Party.

An extremely low turnout of voters reflected both widespread apathy and the belief that the elections would be government-controlled. In fact, however, the authorities apparently intervened directly only to ensure that the minority parties would gain some representation on the councils.

The Ministry of Interior says it is anxious to delegate as much authority as possible to the new councils and to enlist their help in executing Iran's development program. Such decentralization might well produce a sense of participation at the local level, and help to alleviate public apathy. It remains to be seen, however, whether the central government will actually be willing to delegate real authority and whether local officials--accustomed to following Tehran's dictates--will have the initiative to participate effectively.

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Tunisia: President Bourguiba continues to search for international commitments that would assure Tunisia's security.

On 25 October, Bourguiba again indicated to the US that Tunisia feels isolated in the wake of its boycott of the Arab League and his feud with Nasir. The Tunisian ambassador in Washington made the same point last month.

Bourguiba's fears of possible Algerian or Egyptian subversion or aggression have been compounded by his growing anxiety over Soviet expansion in the Mediterranean. This concern has heightened since the Soviet invasion of Czechoslovakia and Bourguiba's forthright condemnation of the action.

[REDACTED] In December 1967, he publicly raised the issue of a military alliance and implied that only France or the US would qualify as a partner. The subject of "cooperation in the field of security" was reportedly raised with De Gaulle when the Tunisian secretary of state for the presidency visited Paris earlier this month, and may have been broached during the subsequent visit of the Turkish foreign minister. France and Turkey, as well as the US, are helping to train and equip the small Tunisian armed forces. [REDACTED]

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## South Africa Expands Bantustan Program



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South Africa: A recent flurry of activity in South Africa's Bantustan program again illustrates Pretoria's dedication to "separate development" as a solution to the country's racial problems.

The Transkei, the country's oldest and most politically advanced Bantustan, went to the polls on 23 October to elect a new legislative assembly. Because the South African Government retains the right to appoint a number of tribal chiefs to the assembly, the chief minister, backed by South Africa, could not have been turned out. Nevertheless, the election campaign was fairly open, and afforded the Transkei population an opportunity to debate political questions--including such unlikely topics as "immediate independence"--in a manner that may whet the Africans' appetite for true political authority.

In South West Africa, the South Africans--in defiance of world-wide criticism--acted earlier this month to establish a Bantustan (homeland) for the Ovambo tribe. A legislative council was appointed that provided an extremely limited degree of self-rule as a theoretical predecessor to eventual "independence."

On the heels of the Transkei elections, officials announced that the Ciskei area would receive "self-rule" in November and the Tswana tribal area in December, to be followed next year by "limited self-rule" for other tribal groups.

Despite the use of such terms as "independence" and "self-rule," nothing in Pretoria's action so far lends much credibility to its claim of nurturing political freedom in the Bantustans. None of the existing or proposed Bantustans is economically viable, and South Africa tightly controls the purse strings. Several of the proposed Bantustans are noncontiguous bits of territory scattered over a wide geographic area. Yet, the Bantustan is still the keystone of Pretoria's apartheid policy, and no significant element of the South African electorate is looking for any other racial policy. [REDACTED]

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Ghana: The military government has made significant revisions in its timetable for returning the country to civilian rule next year.

General Joseph Ankrah, chairman of the ruling National Liberation Council, announced in a nationwide address on 28 October that the council has decided to move up by several months the date for convoking a constituent assembly to review a draft constitution. The assembly may meet before the end of the year. Under the revised plan, the majority of the assembly's 150 members are to be nominated by major interest groups; one third will be elected indirectly. The assembly was originally slated to convene in May 1969, and was to be composed entirely of delegates elected on a nonpartisan basis.

Ankrah also confirmed that the government plans an early removal of the ban on political parties. Civilian political aspirants have long been restive over the proscription of parties and have engaged in unofficial politicking. The ban may be lifted in January or possibly earlier, and all Ghanaians, except some ranking members of Nkrumah's old party, will be eligible to seek public office. Some council members, notably Ankrah himself, harbor political ambitions and may be anxious to have the ban on political activity lifted in order to build bases of political support for themselves.

These long-rumored changes are designed to enable the council to meet its September 1969 target date for restoration of civilian government. The original timetable, highly unrealistic, would have permitted only one or two months for political parties to organize and campaign. A number of other delays in election preparations have also occurred, making it necessary for the council to seek short-cuts.

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Warsaw Pact: The defense ministers of the Warsaw Pact states, including Rumania and Czechoslovakia, met in Moscow on 29-30 October. A Moscow announcement said only that "questions of strengthening the Warsaw Pact" were discussed and that the talks had produced an "identity of views." The ministers may have gone over plans for next year's Pact training cycle, which reportedly may include a combined exercise on Rumanian soil. They may also have taken up plans for creating a multinational Pact staff. Whatever the substance of the talks, Moscow undoubtedly feels that this show of Pact unity is a political bonus at the present time. [REDACTED]

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Yugoslavia: A number of locally prominent educators and teachers have been arrested for taking part in recent "anti-Yugoslav" demonstrations in the autonomous province of Kosovo and Metohija (the Kosmet), along the border with Albania. The demonstrations, almost unprecedented in this area, reflect the nationalist aspirations of the large Albanian minority for greater equality in Yugoslav affairs. Belgrade has shown its concern by publicizing the demonstrations in the leading daily, Borba, and blaming them on "foreign intelligence services."

The question of raising the Kosmet to the status equivalent to a republic will probably be a bone of contention between the Serbs and the Albanian minority at the Serbian Party Congress, scheduled to convene on 21 November. [REDACTED]

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Eastern Europe: The first outbreaks of hoof and mouth disease in nearly a year have been reported in Eastern Europe. Italy has banned livestock imports from Rumania, Yugoslavia, and possibly Hungary through mid-November. Should the ban be extended, hard currency earnings by these countries would be seriously reduced. Yugoslavia's exports of cattle to the European Common Market area, especially Italy, are already down this year because of reduced demand and higher tariffs. [REDACTED]

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Nicaragua: A personalistic feud in the Traditionalist Conservative Party, Nicaragua's main opposition party, could spark violence at the national convention on 3 November. Both Fernando Aguero, party leader since 1960 and defeated 1967 presidential candidate, and Pedro Chamorro, outspoken editor of the country's largest newspaper, are already seeking the party's 1972 presidential nomination. This convention, which will choose the party president for two years, will provide a test of strength. Although delegate support heavily favors Aguero, Chamorro's followers did succeed in disrupting and dissolving some of the earlier departmental conventions, despite being outnumbered. [REDACTED]

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